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**中國水業集團有限公司\***  
**CHINA WATER INDUSTRY GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1129)**

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE ON  
A NON-UNDERWRITTEN BASIS**

Reference is made to the prospectus of China Water Industry Group Limited (the “**Company**”) dated 29 June 2022 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

**RESULTS OF THE RIGHTS ISSUE**

The Board is pleased to announce that all conditions set out in the Prospectus were fulfilled and the Rights Issue became unconditional on Friday, 15 July 2022.

As at 4:00 p.m. on Thursday, 14 July 2022, being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares, a total of 24 valid acceptances and applications had been received for a total of 1,112,504,251 Rights Shares, representing approximately 116.14% of the total number of 957,869,883 Rights Shares available for subscription under the Rights Issue, which comprise:

- (i) 13 valid acceptances of provisional allotments under the PALs in respect of 530,882,286 Rights Shares, representing approximately 55.42% of the total number of 957,869,883 Rights Shares available for subscription under the Rights Issue; and
- (ii) 11 valid applications for excess Rights Shares under the EAFs in respect of 581,621,965 Rights Shares, representing approximately 60.72% of the total number of 957,869,883 Rights Shares available for subscription under the Rights Issue.

\* For identification purposes only

Based on the subscription results, the Rights Issue was oversubscribed by 154,634,368 Rights Shares, representing approximately 16.14% of the total number of 957,869,883 Rights Shares available for subscription under the Rights Issue.

### **EXCESS APPLICATION**

Based on the valid acceptances of provisional allotments under the PALs as referred above, a total of 426,987,597 Rights Shares were available for subscription under the EAFs. Such number of Rights Shares was insufficient to satisfy all valid applications for 581,621,965 Rights Shares made under the EAFs.

The Board has resolved to allocate the 426,987,597 Rights Shares to those Qualifying Shareholders who had validly applied for excess Rights Shares on a fair and equitable basis, and as far as practicable, on a pro-rata basis of approximately 73.41% by reference to the number of excess Rights Shares validly applied for under each such application.

In determining the basis of allocation of the excess Rights Shares, no reference has been made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by the Qualifying Shareholders and no preference has been given to applications for topping up odd lot holdings to whole lot holdings.

### **IRREVOCABLE UNDERTAKING**

Pursuant to the Irrevocable Undertaking, Step Wide had accepted and subscribed for 138,056,000 Rights Shares provisionally allotted to it under the PAL. Step Wide also applied for 400,000,000 excess Rights Shares under the EAF, and was then allocated with 293,653,005 Rights Shares under the EAF.

### **USE OF PROCEEDS**

The gross proceeds from the Rights Issue are approximately HK\$167.6 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, are estimated to be approximately HK\$165.8 million. The net proceeds from the Rights Issue will be applied in accordance with the proposed use of proceeds set out in the section headed "Use of Proceeds" in the Letter from the Board in the Prospectus as to:

- (i) approximately 80% of the net proceeds is intended to be utilised for the partial repayment of the Group's loans and borrowings; and
- (ii) approximately 20% of the net proceeds is intended to be used for general working capital (including but not limited to staff cost, office rent and rates, professional fees and other general corporate expenses).

## EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

Name of Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholder</b>				
Step Wide ( <i>note 1</i> )	276,112,000	14.41	707,821,005	24.63
<b>Executive Directors</b>				
Hu Siyun	27,936,000	1.46	27,936,000	0.97
Deng Xiao Ting	3,000,000	0.16	3,000,000	0.11
Chu Yin Yin Georgiana	743,200	0.04	1,112,000	0.04
<b>Other Shareholders</b>				
Honghu Capital Co. Ltd. ( <i>note 2</i> )	161,532,000	8.43	161,532,000	5.62
Other public Shareholders	<u>1,446,416,566</u>	<u>75.50</u>	<u>1,972,208,644</u>	<u>68.63</u>
	<u>1,915,739,766</u>	<u>100.00</u>	<u>2,873,609,649</u>	<u>100.00</u>

*Notes:*

1. These Shares are held by Step Wide of which Mrs. Chu Yuet Wah is the beneficial owner. Mrs. Chu Yuet Wah is therefore deemed to be interested in the Shares held by Step Wide by virtue of the SFO.
2. These Shares are held by Honghu Capital Co. Ltd. of which Mr. Deng Jun Jie is the beneficial owner. Mr. Deng Jun Jie is therefore deemed to be interested in the Shares held by Honghu Capital Co. Ltd by virtue of the SFO.
3. Certain figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES AND REFUND CHEQUES

Share certificates for the fully-paid Rights Shares and refund cheques in respect of the partially unsuccessful applications for excess Rights Shares are expected to be posted to the relevant Shareholders entitled thereto by ordinary post to their respective registered addresses at their own risks on Thursday, 21 July 2022.

## COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES

Dealings in the Rights Shares in their fully-paid form are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 22 July 2022.

By order of the Board  
**China Water Industry Group Limited**  
**Mr. Zhu Yongjun**  
*Chairman and Executive Director*

Hong Kong, 20 July 2022

*As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman), Ms. Chu Yin Yin Georgiana, Ms. Deng Xiao Ting and Mr. Hu Siyun, all being executive Directors and Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Ms. Qiu Na, all being independent non-executive Directors.*